

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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United Arab Emirates

Poultry and Products Annual

UAE Annual Poultry and Products Report

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Report Highlights:

Total United Arab Emirates' 2014 domestic poultry meat production is expected to reach 43,000 metric tons. A modest increase of 5 percent is expected for 2015 production at 45,000 MT. Almost 95 percent of produced poultry constitute of whole chicken which is sold chilled. During summer when sales usually drop, about nearly 5 percent of the production is sold frozen. Local production covers about 15 percent of UAE total market demand. The remaining 85 percent are imported.

Commodities:

Select

Production:

The UAE 2014 total domestic poultry meat production is expected to reach 43,000 MT, compared to 41,000 MT in 2013. Assuming that all determining factors continue at the same pace, production is expected to grow by 5 percent to 45,000 MT, in 2015. Table egg production is estimated at about 500 million annually.

With the exception of one quail farm, chicken production dominates total UAE poultry sector. The small quail farm produces an estimated 300,000 birds/monthly.

The poultry production sector in the UAE is facing serious challenges, with diseases being the greatest among them all. Old disease strains have mutated to new strains, particularly the avian influenza, which complicates the situation for the producers. Migratory birds and loose animals also contribute to the movement of diseases to producing farms. As a result, mortality increased to 12 percent in 2014. Diseases will continue to pose big threat to producers.

All locally produced chicken should be Halal slaughtered. Hand slaughtering is the most common slaughtering practice. Stunning is not allowed in poultry according to UAE law. As a result, the movement of the birds during slaughtering complicates the slaughtering process, with producers end up having large number of birds with broken wings, legs and other damages which lead to downgrading 15 percent of the production.

Technology changes have been positive. New steam scalding method has been introduced in the UAE and is reported to have helped greatly in reducing cross contamination and bacterial count, compared to the old method of using boiling water.

Also, according to industry sources, Saudi Arabia and Oman export fresh poultry meat to UAE causing marketing challenges to local producers since both countries receive support from their governments.

Biosecurity remains a delicate issue in poultry production farms in UAE. Also, the increasing prices of feed and high operational cost have added to the problems facing poultry producers. As a result, some small producers have either closed down or scaled down their operations.

In the absence of subsidies from the federal government, poultry producers face fierce competition from their counterparts in Abu Dhabi, as the Emirate of Abu Dhabi provides 25% subsidy to its poultry farmers for feed purchases. The sale of subsidized feed from the Emirate of Abu Dhabi to other Emirates is illegal in UAE.

Poultry production is on a 4-6 week cycle. On average, the ages of the birds slaughtered are between 28 to 32 days. The average bird weight gain rate is reported at 40 g/day. Live chicken is slaughtered at 1.3 kg weight that dresses out at 1 kg. The feed conversion rate is reported at about 1.64 kg to 1 kg and it varies depending on the farm management and utilized breed.

Major poultry operations are fully integrated, including on-farm slaughtering facilities. Domestically produced poultry is generally marketed fresh/chilled. During the summer months when sales typically drop, major operations freeze 5% to 10% of their production. Spent hens are either destroyed or recycled in rendering plants. The same applies to chicken paws.

Local production of processed poultry is limited to chicken franks and chicken parts, particularly breasts. Negligible amount of locally produced chicken franks is exported to neighboring GCC and other Arab countries.

The use of growth hormones in poultry production is prohibited in UAE. The UAE imports day old baby chicks from Arab and European countries to meet the local demand since the production of chicks remains insufficient.

Estimates of UAE poultry production from 2009 to 2015:

Production Estimation According to Type (2009 - 2015)							
TYPE	2009	2010	2011	2012*	2013*	2014*	2015*
No. of Farms	24	13	12	11	13	15	15
Chicken Meats (Tons)	36,907	47,148	40,000	37,000	41,000	43,000	45,000

Source: *Ministry of Environment and Water*
** OAA Dubai and producers' Estimates*

Consumption:

Population increase, growing tourism and transit passengers passing through UAE airports and active HRI sector contribute positively to poultry consumption.

The consumption ratio of locally produced chicken is expected to remain constant. Locally produced chicken are generally consumed by UAE nationals who represent 15% of the population, consumers with high disposable income and Muslims who prefer to consume products with guaranteed Halal slaughter. This sector of the consumers is not affected by the increase in population.

Locally produced chicken is subject to strict supervision and inspection by the UAE government, to ensure that they receive highest food safety treatment and that they are fit for human consumption. The UAE does not have a market for paws which are usually rendered, dried and used as manure.

Generally, in the HR sector, the consumers' preference is for whole bird of small size weighing 800 to 1100 grams. Leg quarter is very popular among food service and catering companies that cater for labor camps for their low price since this sector is very competitive. For those who prefer white meat over red meat, whether for health or economic reasons, chicken is an excellent source of protein. Comparing between fish and chicken, those with limited disposable income, would choose chicken again for their lower cost.

Also, chicken is also in strong demand for its adaptability to any cuisine.

Boneless chicken is imported mainly for restaurants consumption, particularly the Shawarma stands. Ducks are imported around the year, but they are generally popular among the far Eastern cuisine. Whole turkey is also imported during the year, but demand for this product surges during the festival season of Thanksgiving and Christmas. Turkey parts are imported for further processing especially smoked turkey breast.

Mechanically separated chicken and turkey meats are also imported for further processing of chicken/turkey rolls and franks.

Domestic and imported poultry products are retailed side by side in major retail outlets. Smaller grocery shops focus mainly on imported frozen chicken and products. Local production is marketed fresh/chilled. For imported birds, mostly frozen, the sizes vary between 900 grams to 1500 grams. In the retail market, 65% of market share consists of birds between 1,000g to 1,200 grams, and 35% between 1,300 to 1,400 grams. Imported whole chicken retails at about \$4 to \$5.8/kg, depending on the brand, whereas the cost of domestic chicken retails at about US \$5/kg.

Brazilian chicken is popular in the UAE. It is perceived a quality product, competitively priced, and has low water content. Currently, C&F price of Brazilian whole bird fluctuates between \$1,800 and \$1,900 per ton, and leg quarters at about \$1,400 and \$1,600 per MT. U.S. leg quarters have a bigger market share than the Brazilian. The average size of leg quarter imported from the U.S. is 350 to 500 grams, bigger than the Brazilian. Leg quarters are popular among the local HRI sector because of its high quality and low prices. Current U.S. leg quarters C&F prices range between \$1,050 and \$1,100 per MT.

However, the relatively large size of U.S. leg quarters can cause problems for some end users such as cafeterias and catering companies accustomed to working with smaller pieces. Leg quarters, usually packed in 20 lb. cartons, are well suited for the HRI sector. Almost 75% of imported poultry is consumed in the foodservice sector.

Locally produced drumsticks are sold in retail trays of 356 grams at about \$3.01, while those imported from Oman sell at \$3.67 per kilogram. Boneless chicken (for shawarma) is dominated by Brazil and it is sold at about \$10.8 per kilogram.

The poultry consumption preference is whole birds, leg quarters, boneless whole chicken, chicken breast, drumsticks, wings and other offal.

Retail prices of imported and locally produced poultry:

Description	Origin	Price Per Kg (USD)
Whole Chicken - Fresh	Oman	4.6
Whole Chicken - Fresh	UAE	4.9-5.3
Chicken Breast - Fresh	UAE	12-12.5
Chicken Whole Leg - Fresh	Saudi Arabia	7.08
Whole Chicken – Frozen	Brazil	3.96-5.08
Whole Chicken - Frozen (Different brand)	France	3.3
Boneless, skinless breast - Frozen	Brazil	11
Chicken Wings – Frozen (Different brand)	Brazil	4.75-6.05
Drumsticks – Fresh	Brazil	5.6
Whole Duck - Frozen	USA	10.00
Whole Duck - Frozen	Germany	6.81
Quails – Frozen	Brazil	7.63

Trade:

While poultry imports in 2013 reached 357,000 MT compared to 360,000 MT in 2012, it is expected to bounce back to 370,000 MT in 2014, and to 380,000 MT in 2015. This forecast is based on favoring factors, including improved economy and the aggressive development plan set by the UAE Government for the coming years.

The UAE became among the world's top 10 tourism destinations and the most popular in the Arab World according to the United Nations World Tourism Organization (UNWTO). During 2013, Dubai alone attracted 10 million tourists, according to the Dubai Tourism and Commerce Marketing (DTCM), with a hotel occupancy rate of 85% in Dubai. HRI sector is set to increase further in 2014 and 2015.

With Dubai winning the bid for World Expo 2020, ambitious development plan will be released in 2015. This is expected to attract major investors and developers which will, consequently, lead to an

increase in the working force of all levels. This is expected to reflect positively on imports of all types of food products, including poultry.

In the absence of official UAE trade data, exports are estimated to reach 1,700 MT in 2014. Re-exports reached 25,000 MT in 2012, a 73% increase from 2011. They are also expected to increase to 28,000 MT in 2014, given Dubai's position as a re-export hub in the region.

The UAE follows an open market policy and closely monitors the OIE and its notifications regarding animal health. Importers in UAE prefer to maintain limited stocks in order to take advantage of changing international prices. This practice reduces their exposure to fluctuating prices, as well as the cost of cold storage and enables them to market a fresher product. As for local production, producers prefer to dispose of stocks on a daily basis.

The UAE economy continues to show consistent growth. Abu Dhabi, where contribution of crude oil to the economy is significant, is expecting a 7% average growth rate in its economy through 2015. Dubai on the other hand, with its depleting oil reserves will continue to depend on non-oil sectors to generate income. Ongoing developments in infrastructure projects, recovery in the construction sector, and growth in the tourism sector and the steady increase in population are contributing factors to this growth.

Brazil is the leading supplier of poultry to the UAE, with 68% of market share, followed by the United States, France, Oman, Saudi Arabia, Thailand and Argentina; whereas the majority of re-exported poultry products are destined to Afghanistan, Oman, Iran, Qatar, and African countries.

The following tables are summaries of poultry trade in the UAE for the past four years. They provide a breakdown of imported, exported and re-exported poultry by volume, categorized by HS Code and top 10 countries of destination.

UAE POULTRY DIRECT TRADE 2009-2012						
	IMPORT		EXPORT		RE-EXPORT	
	Value (\$1,000 USD)	Weight (MT)	Value (\$1,000 USD)	Weight (MT)	Value (\$1,000 USD)	Weight (MT)
2010	444,464	265,137	764	727	36,519	27,654
2011	588,270	294,324	366	24	26,081	14,555
2012	628,382	322,219	3,756	1,448	40,907	25,181
2013*	700,000	357,000	4,100	1,600	44,355	28,500
	NA	370,000	NA	1,700	NA	29,500

2014*						
2015*	NA	380,000	NA	2,000	NA	30,000

Source: *Trade Statistics – UAE Customs Authorities*

Not official USDA Data

**OAA Estimates based on trade recommendations and International Trade Center Data*

Major poultry supplying countries & their poultry exports to the UAE in 2013*

(Top suppliers):

HS Code 0207	UAE Imports By Volume				
Country	Weight (MT)	Value (1,000 USD)			
Brazil	244,680	517,509			
USA	72,760	82,916			
France	12,657	28,191			
Sultanate of Oman	8,000	30,000			
Saudi Arabia	5,000	20,000			
Thailand	6,901	17,489			
Germany	2,451	3,522			
Turkey	1,401	3,858			
Netherland	1,107	2,031			
<u>Source:</u> <i>Trade Statistics – UAE Customs Authorities</i>					
<i>Not official USDA Data</i>					
<i>*International Trade Center Data</i>					

UAE poultry exports in 2012 (Top 10 countries exported to):

HS Code 0207	UAE Exports by Volume		
Country	Weight (Kg)	Value (USD)	
Sultanate of Oman	910,375	2,564,171	
Iraq	269,150	357,543	
Djibouti	101,380	279,777	
Qatar	73,291	215,640	
Saudi Arabia	28,307	130,467	
Iran	25,000	57,805	
Yemen	17,060	56,282	
Kuwait	12,117	51,919	
Bahrain	5,447	13,833	
Sri Lanka	1,800	1,992	

Source: *Foreign Trade Statistics – UAE Customs Authorities*

Not official USDA Data

UAE poultry re-exports in 2012 (Top 10 countries re-exported to):

HS CODE 0207	UAE Re-Exports by Volume		
Country	Weight (KG)	Value (US\$)	
Afghanistan	8,478,886	10,819,302	
Sultanate of Oman	6,305,522	12,614,960	
Iran	3,819,740	5,513,481	
Qatar	2,066,397	3,894,011	
South Africa	1,156,982	1,256,039	
Tanzania	534,973	1,061,290	
Kenya	360,577	764,730	
Jordan	330,561	390,629	
Djibouti	271,415	506,536	
Pakistan	231,386	526,985	

Source: Foreign Trade Statistics – UAE Customs Authorities
Not official USDA Data

Policy:**Import Requirements-**

Labeling requirements for poultry products remain unchanged. The product label is basically required to carry the following information, in Arabic:

- a) Date of production and expiry;
- b) Product and Brand name;
- c) Net weight;
- d) Country of origin; and
- e) The producer's name and address.

Poultry must be slaughtered according to Islamic requirements. A Halal slaughter certificate issued by an approved U.S. Islamic Center must accompany the shipment.

More details are available in the Food and Agricultural Import Regulations and Standards (FAIRS) report by clicking [HERE](#)

Marketing:

The most popular advertising tool is the print media followed by television. Year-round advertising campaigns are the norm for this market. In store promotions are common, particularly for new to market products. Suppliers and local producers are looking constantly to identify new markets and opportunities to expand sales. Suppliers usually support local agents with promotional resources. Brazilian suppliers allocate large advertising budgets for their product promotional campaign. U.S. Poultry and Export Council regularly conduct in-store promotions for imported processed poultry products. Major local poultry producer regularly advertise their products in the retail market.

Distribution Channels:

Distribution channels for imported and domestically produced poultry are very similar: importer to wholesaler to distributor to retailer. Large domestic producers distribute products directly to retailers. Both importers and domestic producers of poultry are well equipped with excellent cold storage warehouse facilities and refrigerated trucks for distribution. Both sectors are staffed with well-trained sales representatives. Major retailers have state-of-the-art supermarkets and hypermarkets and are focusing on customer service to ensure that their products are ideally presented and marketed to consumers.

Production, Supply and Demand Data Statistics:**Poultry PSD table with estimates for 2013 and 2014:**

PSD Table	2012	2013*	2014*	2015*
Production (MT)	37,000	41,000	43,000	45,000
Total Imports	297,039	326,743	340,500	350,000
Total Supply	359,219	395,441	383,500	395,000
Total Exports	1,448	1,600	1,700	2,000
Human Consumption	332,591	366,143	381,800	393,000

Source: *Foreign Trade Statistics - UAE Customs Authorities*

** OAA Estimates and International Trade Center Data- Not official USDA Data*

Author Defined:

Note: "Data included in this report is not official USDA data. Official USDA data is available at <http://www.fas.usda.gov/psd>